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Wisconsin State Senate



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GARY DRZEWIECKI
Senator

Representing Brown, Marinette and Oconto Counties

February 29, 2000

Senator Robert Wirch
Chairman
Senate Committee on Economic Development,
Housing and Government Operations
Room 310 South - Capitol

Dear Senator Wirch:

I am writing to respectfully request the scheduling of a public hearing on Senate Bill 218.

As you are well aware, many Wisconsin residents are unable to afford medical care insurance. According to the Wisconsin Council on Children and Families, over 10% of Wisconsin residents went without health insurance in 1998. Lack of medical care insurance limits an individual's accessibility to adequate health care. Many individuals without medical care insurance cannot afford to seek health care whenever the need arises. This hurts individual health and eventually raises health care costs for all of us.

Senate Bill 218 would help to make medical care insurance more affordable. Currently, Wisconsin law allows self-employed individuals to deduct 100% of their medical care insurance costs from their Wisconsin income taxes. In addition, individuals who are employees may deduct 50% of the cost of their medical care insurance from their income taxes if the employee's employer pays no amount of money toward the employee's medical care insurance policy.

This bill would enlarge the number of people who are eligible to deduct 100% of their medical care insurance costs from their Wisconsin income taxes. In addition to self-employed individuals, this bill would also allow individuals who are employees, whose employers do not contribute any money toward the employee's medical care insurance policy, to deduct 100% of their medical care insurance costs. This bill would also allow individuals who are not employed to deduct 100% of their medical care insurance costs from their Wisconsin income taxes.

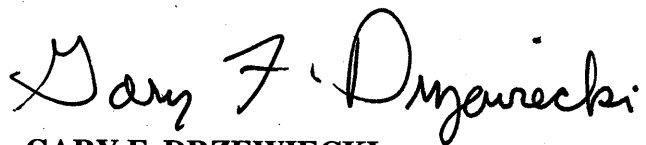
This bill would first apply to taxable years beginning on January 1, 2000. It would make it easier for many Wisconsin residents to purchase their own medical care insurance. This would provide an incentive for individuals to obtain medical care insurance for themselves and their families.

The legislation could also play a deciding factor for people contemplating early retirement. Currently, the cost of purchasing their own health insurance may hinder them from doing so. The tax deduction that this bill provides may provide enough savings to make retirement worthwhile.

The legislation has wide bipartisan support with 48 legislators cosponsoring the measure. The bill also has the support of AARP, State Medical Society of Wisconsin, Coalition of Wisconsin Aging Groups, National Federation of Independent Business, Wisconsin Manufacturers & Commerce, American Family Insurance and the Wisconsin Association of Life & Health Insurers.

Thank you for your consideration. If you need any more information regarding this bill, please do not hesitate to contact me. I look forward to your reply.

Sincerely,

A handwritten signature in cursive script that reads "Gary F. Drzewiecki". The signature is written in dark ink and is positioned above the printed name.

GARY F. DRZEWIECKI

State Senator

30th Senate District